



VIA EMAIL: WUE@water.ca.gov

July 3, 2017

Todd Thompson, Senior Engineer
Department of Water Resources
Water Use Efficiency
P.O. Box 942836
Sacramento, CA 94236

Re: Comments on June 16, 2017 - Second Revised Draft of "Water Audits and Water Loss Control Reporting Regulations"

Dear Mr. Thompson:

The Irvine Ranch Water District (IRWD) appreciates this opportunity to provide comments on the June 16, 2017, second revised draft of the "Water Audits and Water Loss Reporting Regulations." These regulations have been proposed by the Department of Water Resources in response to SB 555 (2015, Wolk), which enacted Section 10608.34 to the California Water Code. Section 10608.34 directs the Department to establish regulations for conducting and validating water loss audits.

IRWD supports the second revised draft of the proposed regulations in its entirety and urges the Department to adopt that draft as quickly as possible so that affected water agencies will have sufficient time to prepare and submit the required water audits by the October 1, 2017 deadline.

As a respected member of both the potable and recycled water supplier communities, IRWD understands that stakeholders have asked the Department to apply the proposed regulations to both potable and recycled water systems. ***Based on a fair reading of Section 10608.34, the proposal regulation should only apply to potable water systems, and should not be applied to recycled water systems.*** The District offers the following comments for the Departments consideration as it considers the applicability of the regulations:

1. **SB 555 based the water audit definition on the AWWA *Manual of Practice M36: Water Audits and Loss Control Programs*. The AWWA *Manual of Practice M36: Water Audits and Loss Control Programs* only cover distribution systems for drinking water supplies.**

A careful review of the M36 manual confirms that the intended scope of the water audit is the distribution systems for treated drinking water/potable water, and not recycled or reclaimed water. The M36 manual addresses the water balance in the context of potable water and contains only three mentions of recycled water, all of which are to distinguish it from potable water and means to exclude recycled water from the potable water balance.

2. **Auditing of recycled water systems was never contemplated in the legislative or administrative record.**

No portion of the legislative record of SB 555 contemplates the inclusions of recycled water systems and the legislative intent behind SB 555 was that it not have any applicability to recycled water. Furthermore, the Department of Water Resources' Water Audit Manual, prepared by some of the foremost national experts asserts that water audits should not apply to recycled water. It states that "... a utility should make sure to exclude consumption of recycled water by customers, since recycled water does not belong in a potable water audit." In another section, the manual states:

"Remember that the water audit pertains exclusively to the potable portion of a water system. Therefore, *non-potable water volumes such as raw water and recycled water must be excluded*". (emphasis added).

As a result, requiring urban water systems to audit recycled water systems is at odds with the legislative intent and would subvert the plain meaning of SB 555.

3. Auditing recycled water systems has not been discussed in the state-funded Water Loss Technical Assistance Program.

Validated water audits are due to the Department no later than October 1, 2017. Over 400 water agencies have received technical assistance through the state-funded Water Loss Technical Assistance Program. The program is designed to provide water suppliers with the detailed technical knowledge necessary to conduct a water loss audit. The state-funded training and technical assistance – based on M36 and the Department's Water Audit Manual – is limited to potable systems. Retail water suppliers have never been informed of any intent to include recycled water systems in the water audit and the regulations should not apply to such systems.

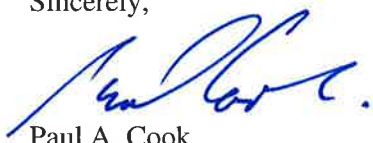
4. The universe of entities subject to SB 555 is well established, and is not based on recycled water.

SB 555 used the term "urban retail water supplier" and requires each urban retail water supplier to conduct standardized water loss audits. The term "urban retail water supplier" for the purposes of Section 10608.34 is defined in California Water Code Section 10608.12. It is defined as "a water supplier, either publicly or privately owned, that directly provides potable municipal water to more than 3,000 end users or that supplies more than 3,000 acre-feet of potable water annually at retail for municipal purposes." This definition makes it clear that only potable water systems and suppliers of potable water are required to conduct an annual audit of their distribution systems.

IRWD supports the efficient use of all water, including recycled water, and implements many programs to successfully achieve efficient use. IRWD has a very proactive leak detection and water loss control program, which is implemented following the principles of the *AWWA Manual of Practice M36; Water Audits and Water Loss Control Programs* (M36 Manual). With that said and based on the information provided above, IRWD urges the Department to reject the suggestion that its regulation be further revised to extend its application to recycled water systems.

Thank you in advance for taking our comments into consideration. Please do not hesitate to contact me at (949) 453-5590 or our Sacramento Advocate, Maureen O'Haren, at (916) 498-1900 if we can be of assistance to you or your staff.

Sincerely,



Paul A. Cook
General Manager